



## Recent History of Statewide Telecommunications Systems

---

- 1984** Departments of General Services (DGS) and Finance began planning the installation of the state's telecommunications system, CALNET.
- 1989 - 1994** DGS receives annual appropriations for installing CALNET.
- 1995** Problems are encountered:
- Network operating costs are higher than rates charged to departments.
  - Some departments built their own networks or entered into independent contracts with telecommunications companies.
- 1996** Legislature directs DGS and the Department of Information Technology (DOIT) to develop plan to resolve problems.
- DOIT submits California Integrated Information Network (CIIN) Strategic Plan, which proposes to (1) conduct a competitive procurement for consolidated voice and data services and (2) sell the installed CALNET equipment.
- 1997** Legislature directs DGS to begin competitive procurement in accordance with the CIIN strategic plan and prepare a Feasibility Study Report.
- 1998** Competitive procurement completed and CIIN contract awarded to SBC/MCI through 2005.
- 2000** Conversion to CIIN contract completed.
- 2003** Administration evaluating proposed extension of CIIN contract through 2008.



## Current CIIN Contract

---

- Contact costs estimated to be \$300 million annually.
- State usage accounts for 40 percent, and local governments account for 60 percent.
- Contract ends in December 2005, with three one-year extensions available at the state's option.
- Most state telecommunications services provided through the CIIN contract.



## Key Considerations for the Committee

---



### **Current CIIN Contract:**

- Is the current contract adequately addressing the telecommunications needs of the state and local governments?
- Are there any outstanding problems with the current contract?
- Does the contract provide adequate backup mechanisms?



### **Options Beyond 2005**

- Has DGS sought input from the key users of the CIIN contract?

### **Proposed Contract Amendment:**

- What changes are proposed in the contract amendment?
- Does the contract provide all the services needed by state and local governments through 2008?
- Has the state conducted a thorough evaluation of the proposed amendment?
- Are the proposed rates similar to those rates received in other large telecommunications contracts?
- How does the proposed amendment affect local governments?



## Key Considerations for the Committee

*(Continued)*

---

### **New Contract:**

- Would a competitive procurement (resulting in a new contract in 2006) significantly reduce rates to state and local governments?
- Should the state pursue a single contract encompassing all telecommunications services? Would multiple contracts for the individual services reduce costs and improve services?
- Should multiple vendors be allowed to provide network equipment in order to reduce the reliance on a single vendor?

# State Telecommunications And the California Integrated Information Network Contract

---

LEGISLATIVE ANALYST'S OFFICE

Presented To:  
Energy, Utilities, and Communications Committee  
Hon. Debra Bowen, Chair

